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C O N F I D E N T I A L ASUNCION 000057

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STATE FOR WHA/BSC, INL/LP (JIM HIDES)
EB/IFD/OIA
STATE PASS TO USAID FOR LAC/AA
STATE PASS TO USTR FOR LYANG
NSC FOR SUE CRONIN
TREASURY FOR OSIA MAUREEN WAFER
TREASURY FOR OTA WARFIELD, VAN KOCH, MILLAR
COMMERCE FOR ITA SARAH COOK
SOUTHCOM FOR POLAD

E.O. 12958: DECL: 01/26/2027

TAGS: PGOV PREL SENV PA

SUBJECT: PARAGUAY POLITICAL AND ECONOMIC UPDATE JANUARY 13
- 26, 2007

Classified By: A/DCM James P. Merz; Reasons 1.4(b),(d)

¶1. (U) SUMMARY:

-- Dengue Outbreak; Politician Dead
-- Impeachment for two Elections Ministers?
-- USAID Helps Expand HealthCare
-- Environmental Ministry Seizes Rare Birds, Animal Skins
-- IDB Offers USD 1.2 Million for Chaco Region

DENGUE OUTBREAK; POLITICIAN DEAD

¶2. (U) Four people died with complications from dengue hemorrhagic fever over the last 7 days, including Miguel Angel Martinez Yaryes, former president of the Authentic Radical Liberal Party (PLRA) and a well-known medical doctor.

The deaths touched young and old, and rich and poor alike, forcing the Ministry of Health to issue an epidemiological warning on January 22. The Health Ministry has reported more than 760 confirmed cases of dengue infections with hundreds of other cases yet to be confirmed. Health clinics are under orders to conduct free or discounted analyses to any person that believes they may be infected with the disease. The government declared January 29 a "holiday" for government employees instead of working in their offices. The government will seek to organize its 25,000 public employees and 66,000 teachers into teams that will go house to house in Asuncion and the surrounding Central Department to eliminate breeding grounds for mosquitos.

IMPEACHMENT FOR TWO ELECTIONS MINISTERS?

¶3. (C) PLRA Senator Juan Carlos Ramirez Montalbetti and UNACE Senator Jose Manuel Bobeda, backed by all of the opposition parties, issued articles of impeachment against Superior Electoral Tribunal (TSJE) Ministers Juan Manuel Morales and Rafael Dendia on January 23 for having succumbed to political pressure brought to bear by powerful Colorado Senator Juan Carlos Galaverna in deciding to fire Ricardo Lesme Dalles, the former TSJE Director of Technical Information. Lesme told PolOff on January 26 that he does not expect the

impeachment to come to fruition, describing the opposition's motion as "political posturing." He noted that the internal fight at the TSJE has escalated with TSJE Ministers Morales and Dendia not speaking to Minister Alberto Ramirez Zambonini (the sole minister opposed to Lesme's removal) and staffers lining up behind the different ministers. (Septel to follow.)

USAID HELPS EXPAND HEALTHCARE

¶4. (U) USAID and the Center for Information and Resources for Development (CIRD), a local NGO, signed an agreement on January 24 with two municipalities in San Pedro Department and the Governor of San Pedro to provide assistance for the creation of social pharmacies and local health insurance plans. The European Union (EU) also signed the agreement to formalize its technical input for the project. The support of the EU represents an important step in getting other international donors to be more active in this sector and this part of the world. San Pedro is one of the poorest departments in Paraguay.

ENVIRONMENTAL MINISTRY SEIZES RARE BIRDS, ANIMAL SKINS

¶5. (U) The Environmental Ministry (SEAM), with the support of airport authorities, confiscated over 200 rare bird species (all dead) and skins of land animals on January 17. The birds and animal skins have an estimated value of USD 200 thousand. This initiative served a welcome demonstration of SEAM's commitment to countering the illegal trafficking in native species.

IDB OFFERS USD 1.2 MILLION FOR CHACO REGION

¶6. (U) The InterAmerican Development Bank approved USD 1.2 million in grants to strengthen biodiversity and sustainable

development in the Chaco Region of Paraguay, Argentina and Bolivia last week. The project, which will be implemented by The Nature Conservancy (TNC) and the Desdel Chaco Foundation (a local NGO), will develop conservation, land use, and river basin plans, to include strengthening local institutions.
(NOTE: The Desdel Chaco has been a regular recipient of USAID support, along with TNC in Paraguay. End Note).
CASON